

STATE OF HAWAII—DEPARTMENT OF TAXATION
INSTRUCTIONS FOR FORM M-2
CERTIFICATE OF RETAIL SALES OF LIQUID FUEL

General Instructions

A distributor is entitled to an evaporation allowance deduction of one gallon for each 99 gallons of fuel sold by a retail dealer in computing the distributor's tax liability for the month. Form M-2 is completed by the retail dealer and given to the distributor to report the number of gallons of various types of liquid fuel sold by the retail dealer during the month. The distributor must attach a copy of the Form M-2 received from each retail dealer to the distributor's monthly return (Form M-20A).

The retail dealer completes page 1 to report the number of gallons of various types of liquid fuel sold by the retail dealer during the month.

The distributor completes page 2 to compute the amount of the evaporation allowance deduction.

Definition of Certain Terms Used in Chapters 243 and 248, HRS

“Alternative fuel” means methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline

or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; biodiesel; mixtures containing 20 percent or more by volume of biodiesel with diesel or other fuels; fuels (other than alcohol) derived from biological materials; and any other fuel that is substantially not a petroleum product and that the governor determines would yield a substantial energy security benefits or substantial environmental benefits.

“Power-generating facility” means any electricity-generating facility that requires a permit issued under the Federal Clean Air Act (42 U.S.C. 7401-7671q), the Hawaii air pollution control law (chapter 342B, HRS), or both.

“Small Boats” means all vessels and other water craft except those operated in overseas transportation beyond the State, and ocean-going tugs and dredges.

Signature

Form M-2 must be signed and dated by a person who is authorized to sign Form M-2.

Specific Instructions

Line 3 — Enter the number of gallons of naphtha sold for use in a power-generating facility during the month. See definition of power-generating facility on this page.

Line 4 — Enter the number of gallons of alternative fuel sold during the month. See definition of alternative fuel on this page.

Line 11 — Enter the number of gallons of alternative fuel used on public highways during the month. If there is more than one type of alternative fuel, attach a separate schedule for each type of alternative fuel showing the information for lines 11 through 14.

Line 13 — Enter the alternative fuel tax rate. See the box below for the tax rate for alternative fuels.

Lines 21 and 24 — Enter the number of gallons of diesel oil (line 21) and gasoline (line 24) used in small boats during the month. See definition of small boats on this page.

Alternative Fuel

	City & County Of Honolulu	County of Maui	County of Hawaii	County of Kauai
Biodiesel	12.3¢ ^a	4¢ ^a	6.2¢ ^a	4¢ ^b
Compressed Natural Gas	8.4¢ ^a	8.4¢ ^a	8.4¢ ^a	8.4¢ ^a
Ethanol	4.8¢ ^a	6.2¢ ^a	3.7¢ ^a	4.3¢ ^a
Liquefied Natural Gas	30.7¢ ^a	30.7¢ ^a	30.7¢ ^a	30.7¢ ^a
LPG	10.6¢ ^a	9.5¢ ^a	8.1¢ ^a	9.5¢ ^a
Methanol	3.7¢ ^a	4.8¢ ^a	2.9¢ ^a	3.3¢ ^a

^a Effective July 1, 2004, pursuant to Act 96, SLH 2004.

^b Effective July 1, 2004, pursuant to Kauai County Ordinance No. 816.